



STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
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DAVE GOETZ
COMMISSIONER

BILL EZELL
CHIEF INFORMATION OFFICER

Potential Proposer to
Competitive Procurement for
TennCare Decision Support Services (TCDS)

Dear Sir or Madam,

The State of Tennessee has launched a project to develop TennCare Decision Support (TCDS) Services. The purpose of these services is to provide the Governor, Legislators, and TennCare management staff with the information they need to address the critical TennCare reform initiative. The State intends to contract with a single vendor to serve as an Application Service Provider, hosting and performing data management, support, and analysis of TennCare recipient and provider data. To this end, the State is requesting that interested vendors make a verbal and written Presentation to the TCDS Work Group, followed by a written Cost Proposal.

The State is only interested in proposals from vendors that have systems, the same as or similar to the TCDS, currently in place and operating in a production mode in at least one customer site.

The Verbal & Written Presentation

Interested vendors will schedule and make a Presentation, including a written Proposal, to the State concerning their skills and experience in Medicaid-related consulting and information analysis. The projected dates for these Presentations are August 23 through August 27, 2004.

Please see the attached *Request for Vendor Presentations*, or access the *Request* on the following website for additional information regarding the Presentation:

<http://www.state.tn.us/finance/rds/ocr/rfp.html>

The *Request* contains a more detailed description of the State's requirements for the TCDS, along with instructions for making a Presentation, should you choose to do so.

The State will expect the vendor to address Sections 2, 3, 4 & 5 of the *Request for Vendor Presentations* document during a Presentation to our TCDS Work Group and to provide 11 hardcopies of the Presentations and supporting documentation. We have set aside a four (4) hour time block for your Presentation. Please allow for up to 30 minutes for questions and answers during your Presentation. The TCDS Work Group, composed of approximately 10 state business leaders, will be in attendance.

TennCare reform is effective on January 1, 2005. However, the planning process has already begun, with an immediate need for decision support analysis and reporting. Therefore, the State is requesting that each vendor provide, as a part of its Presentation to the TCDS workgroup, an approach and workplan that emphasizes the earliest possible tangible analysis and reporting benefits from the TCDS. This will affect the State's scoring of the vendor's Presentation.

Vendors may ask clarification questions during the Presentations. The State's verbal answers are not official and shall not be binding on the State. If vendors require official answers to questions, they must put their questions in writing and submit them to the "vendor questions" contact given at the end of this letter, at a date following the Presentations. The State will compile all written questions, formulate official written answers, and distribute these to all participating vendors. Such official answers will be provided prior to the Cost Proposal Due Date described below.

The State reserves the right to visit a customer site at which the vendor's proposed system is fully operational in a production mode.

The Cost Proposal

After the Presentations are complete, the State shall announce a Cost Proposal Due Date and Time. This date and time shall occur after the all Presentations have been scored, and after official answers to questions have been provided. Participating vendors shall submit written, sealed Cost Proposals, to arrive at State offices by the announced date and time. The vendors will submit separate costs for the Implementation and Operation of the TCDS. Implementation costs shall be proposed as a one-time, fixed cost; Operations costs shall be proposed as a monthly, cost-per-member cost.

The State shall only open and evaluate Cost Proposals from "responsive" vendors. Any vendor meeting at least one of the following conditions shall be deemed responsive:

- The vendor is the best-evaluated (highest-scoring) vendor, with regard to its Presentation score;
- The vendor's Presentation score is greater than or equal to ninety (90) percent of the best-evaluated vendor's Presentation score; or

- The vendor's Presentation score is greater than or equal to seventy-five (75) points (maximum score is 100 points).

If no vendor scores greater than or equal to seventy-five (75) points on its Presentation, then conditions a. and b. above will still apply. However, the State reserves the right to cancel the procurement in its entirety if the quality of responses is deemed to be too poor to indicate a reasonable chance for a successful project.

Cost Proposals from non-responsive vendors shall remain unopened.

The State shall evaluate the responsive Cost proposals in accordance with pre-determined rules and shall enter into contract negotiations with the vendor with the highest Final Cost Proposal Score.

For vendor questions relating to Presentation scope, contact Walter L. "Bubba" Mullen, Director of IT Project Management, at (615) 253-2354, walter.l.mullen@state.tn.us.

For administrative questions, Presentation scheduling, and map directions, contact Sarah Monk (615) 741-3700.

I extend an invitation to you to make a Presentation to the State concerning your skills and experience in Medicaid-related consulting and information analysis. We look forward to hearing from qualified and interested vendors.

Regards,

Bill Ezell
Chief Information Officer
Department of Finance and Administration